

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Application of San Diego Gas & Electric  
Company (U 902 M) to Update Rate Design  
to Include a Residential Untiered Time-of-  
Use Rate with a Fixed Charge

Application 21-09-\_\_\_\_  
(Filed September 1, 2021)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) TO  
UPDATE RATE DESIGN TO INCLUDE A RESIDENTIAL UNTIERED TIME-OF-USE  
RATE WITH A FIXED CHARGE**

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September 1, 2021

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	BACKGROUND AND SUMMARY OF APPLICATION.....	2
III.	SUMMARY OF SUPPORTING TESTIMONY .....	3
IV.	STATUTORY AND PROCEDURAL REQUIREMENTS.....	4
A.	Rule 2.1 (a) – (c) .....	4
1.	Rule 2.1 (a) - Legal Name.....	4
2.	Rule 2.1 (b) Correspondence .....	4
3.	Rule 2.1 (c).....	5
B.	Rule 2.2 – Articles of Incorporation .....	6
V.	SERVICE.....	6
VI.	CONCLUSION.....	7
	OFFICER VERIFICATION .....	9

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**I. INTRODUCTION**

Pursuant to the California Public Utilities Commission’s (“CPUC” or “Commission”) Decisions (“D.”) 20-03-003, D.21-07-010, and the Commission’s Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”) respectfully submits this Application to establish a Residential Untiered Time-of-Use (“TOU”) Rate with a Fixed Charge (“TOU-ELEC”).

In SDG&E’s 2019 GRC Phase 2 Settlement Agreement Decision, the Commission directed SDG&E to “propose in its next residential rate design application an opt-in, un-tiered residential time-of-use rate with a fixed charge that would be available to residential customers charging an electric vehicle, utilizing energy storage, or utilizing electric heat pumps for water heating or climate control.”<sup>1</sup> This decision required SDG&E to file this Application no later than September 1, 2021.<sup>2</sup>

As outlined in more detail below, SDG&E first provides a brief procedural background on the circumstances and events leading to this Application. SDG&E then summarizes the

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<sup>1</sup> D.21-07-010 at 32.

<sup>2</sup> *Id.*

prepared direct testimony submitted in support of this Application. SDG&E then provides the information necessary to comply with the statutory and procedural requirements associated with this Application.

## **II. BACKGROUND AND SUMMARY OF APPLICATION**

On March 19, 2020, the Commission adopted D.20-03-003 in Phase 3 of the electric investor-owned utilities' ("IOUs") consolidated 2018 Residential Rate Design Window proceeding,<sup>3</sup> requiring SDG&E to propose an opt-in, un-tiered,<sup>4</sup> residential time-of-use rate with a fixed charge available to residential customers charging an electric vehicle, utilizing energy storage, or utilizing electric heat pumps for water heating or climate control in its next residential rate design application.<sup>5</sup> This decision also required SDG&E to conduct a workshop to seek the input of interested parties on this rate proposal.<sup>6</sup> Subsequently, in D.21-07-010, the Commission required that SDG&E file this Application no later than September 1, 2021.<sup>7</sup>

SDG&E held a series of workshops seeking interested party input on un-tiered TOU rates for residential customers. Numerous companies and organizations representing various interests participated in these workshops, including the utilities, consumer advocacy groups, solar companies, environmental organizations, and the CPUC Public Advocates Office. SDG&E considered their input in the rate design proposal contained in this Application.

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<sup>3</sup> Application ("A.") 17-12-011, consolidated with A.17-12-012 and A.17-12-013. The IOUs involved in this consolidated proceeding were Pacific Gas and Electric Company, Southern California Edison Company, and SDG&E.

<sup>4</sup> Un-tiered in this context refers to volumetric (kWh) charges, where customers are not allocated a baseline credit.

<sup>5</sup> D.20-03-003, Ordering Paragraph 10 at 51.

<sup>6</sup> *Id.*

<sup>7</sup> D.21-07-010 at 32.

The proposed new rate (referred to as “TOU-ELEC”) aims to encourage greenhouse gas (“GHG”) reduction by promoting electrification of behind-the-meter technologies and would be available to customers who have at least one of the following: 1) an electric vehicle (“EV”), 2) an energy storage device, or 3) an electric heat pump for either water heating or climate control.

SDG&E recognizes that achieving GHG reductions via residential electrification will likely lead to increased consumption for residential customers. As currently structured, increased usage is met with increased volumetric rates as customers reach higher usage tiers. This tier progression serves as a disincentive for customers to electrify. The proposed rate design seeks to remedy this disincentive for customers who undertake electrification by removing the volumetric usage tiers and adding a monthly fixed charge based on a customer’s three maximum daily non-coincident historical peaks over the prior 12 months.

### **III. SUMMARY OF SUPPORTING TESTIMONY**

In support of this Application, SDG&E includes the prepared direct testimony of Gwendolyn R. Morien, Hannah Campi, and April Bernhardt.

- Gwendolyn R. Morien’s prepared direct testimony (Exhibit SDG&E-01) describes the background and policy justifications for the proposed TOU-ELEC rate. This testimony includes the rate design objectives, eligibility, the income-qualified rate proposal, cost-shifting considerations, and implementation plan.
- Hannah Campi’s prepared direct testimony (Exhibit SDG&E-02) describes the proposed TOU-ELEC rate design in detail, including the bill impacts to customers who switch to the TOU-ELEC rate.
- April Bernhardt’s prepared direct testimony (Exhibit SDG&E-03) presents the Marketing, Education, and Outreach strategy for the TOU-ELEC rate, including a plan

for customer outreach and education to encourage potentially eligible customers to take advantage of the rate.

#### **IV. STATUTORY AND PROCEDURAL REQUIREMENTS**

##### **A. Rule 2.1 (a) – (c)**

Per Rule 2.1 (a) – (c) of the Commission’s Rules of Practice and Procedure, SDG&E provides the following information.

##### **1. Rule 2.1 (a) - Legal Name**

San Diego Gas & Electric Company is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E’s principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E’s attorney in this matter is Christopher R. Jefferson.

##### **2. Rule 2.1 (b) Correspondence**

Correspondence or communications, including any data requests, regarding this Application should be addressed to:

Kaitlin Barlow  
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San Diego Gas & Electric Company  
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with copies to:

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### **3. Rule 2.1 (c)**

#### **a. Proposed Category of Proceeding**

Per Rule 7.1, SDG&E requests that this Application be categorized as ratesetting because the proposed new TOU-ELEC described in this Application rate will impact SDG&E's rates.

#### **b. Need for Hearings**

In light of the general support for this rate proposal and because underlying issues have been litigated in the related proceedings, SDG&E does not believe that this Application's approval will require hearings. Further, SDG&E has provided ample supporting testimony, analysis, and documentation to provide the Commission with a sufficient record to grant the relief requested.

#### **c. Issues to be Considered**

The issues to be considered are described in this Application and the accompanying testimony and exhibits. SDG&E does not believe any issues related to safety considerations need to be considered in this Application.

#### **d. Proposed Schedule**

SDG&E proposes to implement the TOU-ELEC rate on or before January 1, 2023. In addition, SDG&E anticipates the need for, at minimum, 90 days in advance of implementing this rate change. This 90-day period will allow SDG&E to ensure that it has the requisite time to communicate the rate change with eligible customers before implementation and make any necessary changes to SDG&E's customer billing system. Therefore, to achieve that goal in accord with the Commission Rules of Practice and Procedure, SDG&E proposes the following schedule:

Application Filed	September 1, 2021
Responses and Protests to Application	October 1, 2021
Reply to Responses and Protests	October 11, 2021
Prehearing Conference	October 20, 2021
Settlement Discussions	October 25-29, 2021
Intervenor Testimony	November 12, 2021
Rebuttal Testimony	December 3, 2021
Evidentiary Hearings (If Necessary)	January 10, 2022
Concurrent Opening Briefs filed	February 7, 2022
Concurrent Reply Briefs filed	February 21, 2022
Proposed Decision	On or before August 1, 2022
Commission Final Decision	On or before September 1, 2022
TOU-ELEC Rate Implementation	On or before January 1, 2023

## **B. Rule 2.2 – Articles of Incorporation**

A copy of SDG&E's Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014, with SDG&E Application 14-09-008, and is incorporated herein by reference.

## **V. SERVICE**

This is a new application. No service list has been established for this proceeding. Accordingly, SDG&E will serve this Application and its attachments, testimony, and exhibits, on the parties contained in the service lists for SDG&E's 2019 General Rate Case Phase 2



Proceeding (A.10-07-009 and A.19-03-002 (cons.)) and Assigned Administrative Law Judges in A.19-03-002 Jeanne McKinney, Rafael Lirag, and Susan Lee.

## **VI. CONCLUSION**

For all the preceding reasons, SDG&E requests that the Commission adopt SDG&E's proposals outlined in this Application and associated prepared direct testimony and grant such additional relief as the Commission finds to be just and reasonable.

DATED at San Diego, California, this 1<sup>st</sup> day of September 2021.

Respectfully submitted,

/s/ Christopher R. Jefferson  
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By: /s/ Scott Crider  
Scott Crider  
Senior Vice President – Customer Services and External Affairs  
San Diego Gas & Electric Company

## **OFFICER VERIFICATION**

### **OFFICER VERIFICATION**

Scott Crider declares the following:

I am a San Diego Gas & Electric Company officer and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) TO UPDATE RATE DESIGN TO INCLUDE A RESIDENTIAL UNTIERED TIME-OF-USE RATE WITH A FIXED CHARGE** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 1, 2021, in San Diego, California.

By: /s/ Scott Crider

Scott Crider  
Senior Vice President – Customer Services and External Affairs  
San Diego Gas & Electric Company